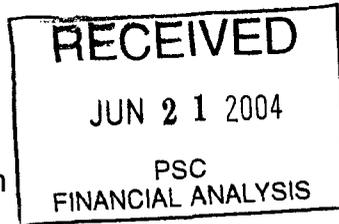


# Fountain Run Water District No. 1

Executive Director  
KY Public Service Commission  
PO Box 615  
Frankfort, KY 40602



**RECEIVED**

JUN 21 2004

PUBLIC SERVICE  
COMMISSION

RE: Formal Application for a Purchased Water Adjustment

Case 2004-00257

Dear Mr. Dorman:

Enclosed is an original and 10 copies of an application for a purchased water rate adjustment for Fountain Run Water District No. 1. The adjustment is necessary to recover an increase in the cost of water attributable to our supplier's new wholesale rates.

The district will publish the enclosed public notice of the requested rate revisions in the local newspaper. In accordance with PSC rules and regulations, the notice will be published before the new bills are issued and will be published one time. A copy of the newspaper notice and an affidavit verifying publication will be forwarded to you upon publication.

The District has previously filed income statements and balance sheets with the Public Service Commission. These income statements and balance sheets are currently on file with the Commission.

Sincerely,

A handwritten signature in cursive script that reads "Joe Carnwell Chairman".

enclosure

PURCHASED WATER ADJUSTMENT FOR  
WATER DISTRICTS AND ASSOCIATIONS  
(807 KAR 5:068)

Case 2004-00257

Fountain Run Water District  
(Name of Utility)

\_\_\_\_\_  
(Date)

P.O. Box 116  
(Address)

Fountain Run, KY 42133  
(City, State)

(270) 434-4080  
(Telephone Number)

**RECEIVED**

JUL 21 2004

PUBLIC SERVICE  
COMMISSION

- 1.a. Name of all wholesale suppliers and the base (current) rate and changed rate of each. In the event the water purchased is billed by the supplier on a rate that is not a flat rate schedule, the entire rate schedule must be shown. Attach additional sheets if necessary.

<u>Supplier(s)</u>	<u>Base Rate</u>	<u>Changed Rate</u>
<u>Glasgow Water Company</u>	<u>1.05</u>	<u>1.40</u>
_____	_____	_____

- 1.b. A copy of the supplier's notice of the changed rate showing the effective date of the increase is attached as Exhibit A.
2. Twelve-month period upon which the purchased water adjustment is based. (This twelve-month period must end within 90 days of this filing).

From May, 2003 through April, 2004.  
 (month and year) (month and year)

3. Statement of water purchases. Where water is purchased from more than one supplier, purchases from each supplier must be shown separately. If water is purchased through a declining block rate schedule, purchases for each month must be shown. Attach an additional sheet if necessary.

Supplier(s)	Gallons Purchased during 12 month period
<u>Glasgow Water Company</u>	<u>39,224,900</u>
_____	_____
 TOTAL PURCHASES	 <u>39,224,900</u>

4. Total sales for the 12- month period 36,053,800.

5. Increased water cost \$13,729.

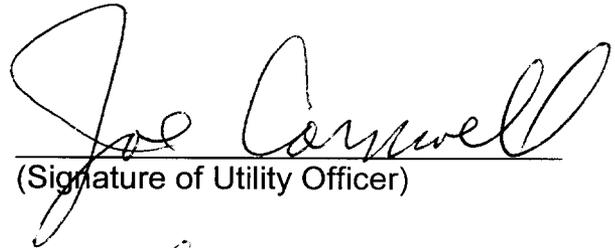
The increased water cost is the cost difference between purchases at base (current rate) and purchases at new rate.

6. Purchased water adjustment factor 0.38.

The purchased water adjustment factor is obtained by dividing the increased cost of water by the total gallons sold.

Note: The purchased water adjustment factor is added to each thousand gallons sold. If the minimum usage is 2,000 gallons then the purchased water adjustment factor would be added to the minimum bill twice. Revised tariff sheets must be attached showing the rate to be charged by the utility and the effective date of the increased rates.

7. Proposed effective date July 15, 2004.

  
\_\_\_\_\_  
(Signature of Utility Officer)

  
\_\_\_\_\_  
(Title)

## NOTICE

Due to a rate increase from the Glasgow Water Company, notice is hereby given that Fountain Run Water District No. 1 has filed An Application for a Purchased Water Adjustment with the Kentucky Public Service Commission for the purpose of adjusting its water rates. Customer rates will increase by .38 cents per 1,000 gallons used. The proposed change will be effective for service rendered on and after July 15, 2004.

	<u>Current</u>	<u>Proposed</u>	<u>% Change</u>
First 2,000 Gallons	\$10.88 Minimum Bill	11.64 Minimum Bill	6.99%
Next 3,000 Gallons	3.24 Per 1,000 Gallons	3.62 per 1,000 gallons	11.73%
Next 5,000 Gallons	2.64 Per 1,000 Gallons	3.02 per 1,000 gallons	14.39%
Next 10,000 Gallons	2.24 Per 1,000 Gallons	2.62 per 1,000 gallons	16.96%
Over 20,000 Gallons	1.99 Per 1,000 Gallons	2.37 per 1,000 gallons	19.10%

The monthly bill for a customer using an average of 5,000 gallons per month will increase \$1.90 from \$20.60 to \$22.50 or 9.22%.

The rates contained in this notice are the rates proposed by Fountain Run Water District No. 1. However, the Public Service Commission may order rates to be charged that differ from these proposed rates. Such action may result in rates for consumers other than the rates in this notice.

Fountain Run Water District No. 1 has available for inspection at its office the application submitted to the Public Service Commission. The office is located at 226 Main Street, Fountain Run, KY 42133.

Fountain Run Water District No. 1

FOR Southwestern Monroe County, Kentucky  
Community, Town or City

P.S.C. KY. NO. 1

Original SHEET NO. 4

Fountain Run Water District  
(Name of Utility)

CANCELLING P.S.C. KY. NO. \_\_\_\_\_

\_\_\_\_\_ SHEET NO. \_\_\_\_\_

---

RATES AND CHARGES

---

A. MONTHLY RATES:

First 2,000 Gallons	\$11.64	Minimum Bill
Next 3,000 Gallons	3.62	Per 1,000 Gallons
Next 5,000 Gallons	3.02	Per 1,000 Gallons
Next 10,000 Gallons	2.62	Per 1,000 Gallons
Over 20,000 Gallons	2.37	per 1,000 Gallons

---

DATE OF ISSUE \_\_\_\_\_  
Month / Date / Year

DATE EFFECTIVE \_\_\_\_\_

ISSUED BY Joe Cornwell \_\_\_\_\_  
Month / Date / Year  
(Signature of Officer)

TITLE Chairman \_\_\_\_\_

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. \_\_\_\_\_ DATED \_\_\_\_\_

## Fountain Run Water District No. 1

SUPPLIER	NEW RATE (per 1,000)	OLD RATE (per 1,000)
<b>Glasgow Water Co.</b>	<b>\$1.4000</b>	<b>\$1.0500</b>

TWELVE MONTH TEST PERIOD:

**May 2003 thru April 2004**

SUPPLIER	GALLONS PURCHASED DURING TEST PERIOD
<b>Glasgow Water Co.</b>	<b>39,224,900</b>
TOTAL	39,224,900

SUPPLIER	COST AT NEW RATE	COST AT OLD RATE	INCREASED WATER COST
Glasgow Water Co.	\$54,914.86	\$41,186.15	
TOTAL	\$54,914.86	\$41,186.15	= \$13,729

TOTAL GALLONS SOLD FOR THE TEST PERIOD : **36,053,800**

Increased Water Cost / (total gallons sold / 1,000) = Purchased Water Adjustment Factor

\$13,728.72	/	36,053,800	/1000	=	0.380784134
					ROUNDED
					<b>0.38</b>